



PILLSBURY WINTHROP^{LLP}

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February 26, 2004

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Susan Tennenbaum, Esq.
United States Environmental Protection Agency
Region 5
77 West Jackson Boulevard
Chicago, IL 60604-3590

Re: Morgan Electro Ceramics

Dear Ms. Tennenbaum:

I am writing in response to your letter, dated February 12, 2004, in which you requested certain information concerning Morgan Electro Ceramics. I have responded to each of your questions in the order set forth in your letter.

1. Company Size

Morgan Electro Ceramics is a division of Morgan Advanced Ceramics Inc. ("MAC"), a company incorporated in Delaware. There is no company called Crucible Co.; I believe you are asking about The Morgan Crucible Company plc, which is a public limited company in the United Kingdom and is the ultimate owner of MAC.

MAC has a negative net worth of \$13,346,000; the value of its net current assets is \$32,515,000 (Morgan Electro Ceramics net current assets represent \$2,746,000 of that figure). MAC has 678 employees, 95 of which are employed at Morgan Electro Ceramics. MAC's 2002 revenues were \$104,812,000; Morgan Electro Ceramics' revenues represent \$10,924,000 of that figure.

2. Cost of Coming into Compliance

You asked a number of specific questions about degreasers at Morgan Electro Ceramics:

- a) Morgan Electro Ceramics plans to install a new Ultra-Kool degreaser to replace the present Baron Blakeslee degreaser (designated L001). The new Ultra-Kool unit will be designated L002. The Company purchased the new degreaser on May 9, 2003 and on December 23, 2003 filed an application for a permit to install with the City of Cleveland. The Company recently submitted comments to the City on a draft permit



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and anticipates that the permit to install will be issued within the next month. When the permit has issued, the Company will install the unit and plans to take L001 out of service.

The Company has incurred, or anticipates incurring, the following costs associated with installation and operation of L002:

- Cost of Ultra-Kool degreaser - \$35,100.00
- Installation costs – \$0; the unit will be installed by employees of Morgan Electro Ceramics.
- Other associated costs:
 - New solvent recovery still - \$15,800.00
 - Flowmeter for perchloroethylene hand pump - \$154.30
 - Perchloroethylene hand pump - \$187.00
 - One inch hose for perchloroethylene hand pump - \$130.00
- Projected annual recurring costs for maintaining the new degreaser: Essentially \$0 since maintenance will be done by current employees of Electro Ceramics as part of their current duties.

- b) The degreaser designated as P019 was installed in August 1999 as a replacement for a similar unit, at a cost of \$23,700.00. At the time, Morgan Electro Ceramics discussed the replacement with the City of Cleveland (see attached letter dated February 9, 1999), and, based on a misunderstanding that occurred during contemporaneous telephone calls, believed that the unit could be installed as a “replacement in kind.” Following recent conversations and correspondence with the City, Morgan Electro Ceramics filed a permit to install for P019 on December 29, 2003. There essentially have been no associated costs, installation costs or operating costs with respect to P019 because Morgan Electro Ceramics current employees installed and maintain the unit as part of their current duties.
- c) The dispensing meter to which reference was made during the meeting is the flowmeter referred to in the list in (a) above.
- d) The Company did not incur any “one time depreciable expenditures to set up a better recordkeeping system to monitor solvent use and to train employees for solvent use” because those activities were performed by current employees of the Company.
- e) The Company has contracted with Liberty Solvents for monthly testing of perchloroethylene at a cost of \$169 a month (\$2,028 per year).



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3. Current Status of Compliance

Pursuant to its agreement with the City of Cleveland, Morgan Electro Ceramics submitted a Title V application on January 5, 2004. Morgan Electro Ceramics also filed Initial Notification Reports on January 10, 12, and 14, 2004 for the three existing degreasers. In the Title V application and the Initial Notification Reports, the Company stated that, as of January 1, 2004, it intended to comply with 40 C.F.R. § 63.463 for the units designated as L001 and Z001 (presently designated P019) and with 40 C.F.R. §63.464 with respect to the unit designated Z002 (presently designated P009). During the month of January, each of the three existing degreasers was in compliance with the applicable requirements of these regulations. Please note that the Company has continued to comply with the requirements of 40 C.F.R. §63.464 with respect to all three units and will continue to do so pending approval of its Title V permit

As I mentioned during our meeting in December, Morgan Electro Ceramics is committed to ensuring that it is in compliance with applicable air emission requirements. I recognize that there was a certain amount of confusion and a number of misunderstandings in the past, but a review of the correspondence with the Company's permitting agency over the past few years, I believe, demonstrates a good faith effort on the Company's part to comply with applicable requirements. Since the original letter from Region V and our meeting in December, the Company has made an impressive effort and has committed the personnel and resources necessary to identify all issues and promptly address them.

If you have any questions or require additional information, please let me know. As we stated during our meeting, Morgan Electro Ceramics would like to resolve this matter expeditiously and will work with you to achieve that result.

Sincerely,

Aileen Meyer

Cc: William Hocevar

Tim Jones

Michael Wentzel

Morgan Matroc, Inc.

Electro Ceramics Division

232 Forbes Road
Bedford Ohio 44146 USA
Telephone (440) 232 8600
FAX (440) 232 8731



February 9, 1999

Ms. Jane Bell
Air Quality Engineer
Cleveland Air Pollution Control
1925 St. Clair Avenue
Cleveland, OH 44114

RE: Replacement of Ohio EPA Source No. P019 for Morgan Matroc, Inc., Bedford, Ohio facility.

Dear Ms. Bell:

Pursuant to your recommendation, Morgan Matroc, Inc. respectfully is petitioning your office for a determination of the necessity to obtain a permit to install for the replacement of Ohio EPA Source No. P019 (solvent vapor degreaser) with a solvent vapor degreaser of lesser size and similar unit controls at the Morgan Matroc, Inc., Bedford, Ohio facility.

The existing air contaminant source (Ohio EPA P019) is a solvent vapor degreaser utilizing perchloroethylene. The solvent machine has a solvent/air interface area of 5.0 square feet. The P019 employs the following controls: (1) freeboard ratio of 1.00; (2) freeboard refrigeration device; (3) working-mode cover; (4) safety vapor control; and (5) low and high-level temperature controls. The replacement unit will contain the same or greater level of control as the existing degreaser. The replacement unit will also use perchloroethylene, have a solvent/air interface area of 4.4 square feet and be utilized in the same capacity and occupy the same building area as the existing one.

Based on the design of the replacement degreaser, Morgan Matroc, Inc. believes that its use will not result in an increase in perchloroethylene emissions and is essentially a "replacement in kind". Therefore, it is Morgan Matroc, Inc.'s contention that the replacement does not meet the definition of a "modification", as defined in Chapter 3745-31-01 (MM) of the Ohio Administrative Code and as such, is not required to submit a permit to install application and will by determination assume the terms and conditions of the existing Permit to Operate for P019.

Morgan Matroc, Inc. wishes to proceed with replacement of the existing degreaser as soon as possible and appreciates your time and consideration in this matter. If you have any questions regarding this correspondence, please contact Mr. Matt Kupcak of Temco Associates Corporation, at (330) 935-30000 or (330) 352-5823.

Sincerely,

William Hocevar, P.E.
Morgan Matroc, Inc.

Cc: Matt Kupcak, Temco Associates Corporation
Doug Mehls, Morgan Matroc, Inc.

